

MINUTES OF THE SPECIAL MEETING OF THE FAIRFAX COUNTY
REDEVELOPMENT AND HOUSING AUTHORITY

February 19, 2015

On February 19, 2015, the Commissioners of the Fairfax County Redevelopment and Housing Authority (FCRHA) met in the FCRHA Board Room, One University Plaza, 4500 University Drive, Fairfax, Virginia.

CALL TO ORDER

FCRHA Chair Robert Schwaninger called the Special Meeting of the FCRHA to order at 7:00 p.m. FCRHA Commissioners present or absent for a portion or all of the meeting were as follows:

PRESENT

Robert Schwaninger, Chairman
Willard Jasper, Vice Chair
Matthew Bell
John Betts
Robert C. Carlson
Christopher Craig
C. Melissa Jonas
Richard Kennedy
Albert J. McAloon

ABSENT

H. Charlen Kyle
Rod Solomon

Also present at the meeting were the following staff of the Department of Housing and Community Development (HCD): Kurt Creager, Director; Robert Easley, Deputy Director, Operations; Hossein Malayeri, Deputy Director, Real Estate; Tom Fleetwood, Director, FCRHA Policy, Reporting and Communications Division; Michael Pearman, Portfolio Manager, Real Estate Finance and Grants Management Division; Carol Erhard, Director, Homeownership and Relocation Services Division; Mike Trent, Network Analyst, ISS; Steve Knippler, Sr. Program Manager, FCRHA Policy, Reporting and Communications Division and Jodi Cienki, FCRHA Assistant. Other Fairfax County staff in attendance: Alan Weiss, Assistant County Attorney and FCRHA Counsel.

ACTION ITEMS

1.

RESOLUTION NUMBER 06-15

Resolution Authorizing the Execution and Delivery of a Loan Agreement Among Fairfax County Redevelopment And Housing Authority, the Board Of Supervisors of Fairfax County, Virginia and Bank of America, N.A. Relating to a Loan Provided by Bank of America, N.A. for Purposes of Repaying Bond Anticipation Notes Issued to Refinance the Purchase of the Crescent Apartments; Authorizing the Execution and Delivery of a Promissory Note to Bank of America, N.A. Evidencing the Loan; Authorizing the

Execution and Delivery of a Payment Agreement and Ground Lease with the Board Of Supervisors of Fairfax County, Virginia and an Assignment Agreement; and Delegating to Proper Officers Authority to Determine Certain Details of the Transaction (Hunter Mill District)

WHEREAS, the Fairfax County Redevelopment and Housing Authority ("FCRHA") is a political subdivision of the Commonwealth of Virginia, established pursuant to the Virginia Housing Authority Law, Title 36, Chapter 1, Code of Virginia, 1950, as amended (the "Act"), and is authorized thereby to issue its notes and bonds from time to time to further its goal of preserving affordable housing in Fairfax County; and

WHEREAS, on February 6, 2006, the Board of Supervisors (the "Board of Supervisors") of Fairfax County (the "County") entered into an Agreement of Purchase and Sale (the "Purchase Contract") for the purchase of the 181-unit Crescent Apartments multi-family rental housing complex, including the approximately 16.5 acre site thereof, located at 1527 Cameron Crescent Drive in Reston, Virginia (the "Property"); and

WHEREAS, the Board of Supervisors, upon entering into the Purchase Contract, requested that FCRHA provide interim financing for a portion of the purchase price of the Property and related costs and offered to enter into a payment agreement pursuant to which the County agreed to make payments, subject to appropriation, to or for the account of FCRHA, in amounts sufficient, together with the proceeds of any permanent financing and renewal notes financing and any other sources of funds available for the purpose, for FCRHA to pay timely the interest on and the principal of notes to be issued for such interim financing; and

WHEREAS, FCRHA, pursuant to the Board of Supervisor's request and a payment agreement, issued on February 16, 2006 a bond anticipation note (the "Original Note"), the proceeds of which were used to pay a portion of the purchase price of the Property; and

WHEREAS, FCRHA, pursuant to the Board of Supervisor's request and the terms of a payment agreement, issued on February 13, 2007, a bond anticipation note (the "2007 Note") the proceeds of which were used to pay the principal of the Original Note; and

WHEREAS, FCRHA, pursuant to the Board of Supervisor's request and the terms of a payment agreement, issued on February 11, 2008, bond anticipation notes (the "2008 Notes") the proceeds of which were used to pay a portion of the principal of the 2007 Note; and

WHEREAS, FCHRA, pursuant to the Board of Supervisor's request and the terms of a payment agreement, issued on May 19, 2011, bond anticipation notes (the "2011 Notes") the proceeds of which were issued to pay the principal of and interest on the outstanding 2008 Notes; and

WHEREAS, FCHRA, pursuant to the Board of Supervisor's request and the terms of a payment agreement, issued on February 14, 2013, bond anticipation notes (the "Outstanding Notes") the proceeds of which were issued to pay the principal of and interest on the outstanding 2011 Notes; and

WHEREAS, the Outstanding Notes are maturing on March 1, 2015; and

WHEREAS, FCRHA on February 2, 2006, authorized the issuance of its bonds to provide long-term permanent financing for the Property; and

WHEREAS, FCRHA is in the process of determining the use and development of the Property and does not yet wish to enter into permanent financing for the Property; and

WHEREAS, FCRHA desires to enter into a financing to refinance the Outstanding Notes before their maturity date; and

WHEREAS, pursuant to and in accordance with the Act, the Board of Supervisors has requested that FCRHA enter and FCRHA desires to enter into a Loan Agreement (the "Affordable Housing Loan Agreement"), by and among FCRHA, the Board of Supervisors and Bank of America, N.A. (the "Bank"), to provide a loan in an amount not to exceed \$18,500,000 (the "2015 Loan") to refinance the Outstanding Notes; and

WHEREAS, FCRHA proposes to issue a promissory note (the "Affordable Housing Loan Note") to the Bank to evidence its obligation to make principal and interest payments on the 2015 Loan under the Affordable Housing Loan Agreement; and

WHEREAS, the County and FCRHA anticipate providing further interim financing or long term permanent financing for the Property, including, in either case, provision for payment of the Affordable Housing Loan Note not later than the stated maturity of the Affordable Housing Loan Note in Fiscal Year 2018; and

WHEREAS, there has been prepared the proposed form of a Payment Agreement between FCRHA and the County (the "Payment Agreement"), pursuant to which the County will agree to make payments, to or for the account of FCRHA, in amounts sufficient, with the proceeds of any other sources of funds available for the purpose, for FCRHA to pay timely the interest on and the principal of the Affordable Housing Loan Note and any other amounts due and owing under the Affordable Housing Loan Agreement; and

WHEREAS, FCRHA will assign to the Bank as owner of the Affordable Housing Loan Note all of FCRHA's rights under the Payment Agreement, including FCRHA's rights to County Payments under, and to enforce the terms and provisions of, the Payment Agreement pursuant to an Assignment Agreement (the "Assignment Agreement"); and

WHEREAS, there has been prepared the proposed form of a Lease Agreement between FCRHA and the County (the "Ground Lease") by the terms of which the County will lease to FCRHA the Property; and

WHEREAS, there has been prepared the proposed form of the Affordable Housing Loan Note as Exhibit B to the Loan Agreement; and

WHEREAS, the Commissioners of FCRHA (the "Commissioners") have determined that it is necessary to delegate to the Chairman, Vice Chairman, Secretary or an Assistant Secretary of FCRHA the power to approve the issuance of the Affordable Housing Note and the details of these transactions, subject to the guidelines and standards established hereby; now, therefore

BE IT RESOLVED BY THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY:

Section 1. **Affordable Housing Loan Agreement.** The Affordable Housing Loan Agreement is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Affordable Housing Loan Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Affordable Housing Loan Agreement being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA is hereby authorized and directed to affix the seal of FCRHA to the Affordable Housing Loan Agreement and to attest same.

Section 2. **Affordable Housing Loan Note.** The Commissioners hereby authorize the issuance of the Affordable Housing Loan Note by FCRHA for the purpose of evidencing the 2015 Loan. The principal amount of the Affordable Housing Loan Note shall not exceed \$18,500,000. The Affordable Housing Loan Note shall have terms and provisions and be in substantially the form of the Note set forth in Exhibit B to the Affordable Housing Loan Agreement made available at this meeting with such additions, deletions and modifications as may be approved by the Chairman or Vice Chairman, the execution of the Affordable Housing Loan Note being conclusive evidence of such approval and the approval of FCRHA. The Affordable Housing Loan Note shall be dated and shall bear interest at such fixed rate as may be approved by the Chairman, Vice Chairman, Secretary or an Assistant Secretary of FCRHA at the request of the Chairman or Vice Chairman of the Board of Supervisors of Fairfax County,

Virginia or the County Executive or Deputy County Executive/Chief Financial Officer of the County and that conform to the provisions of this Resolution.

The Affordable Housing Loan Note shall be executed on behalf of FCRHA by, and bear the manual or facsimile signature of, the Chairman or the Vice Chairman of FCRHA, and the seal of FCRHA shall be impressed and duly attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of FCRHA or any other person authorized to do same (each, an "Authorized Representative"), at least one of such signatures to be manual.

Section 3. **Limited Obligation.** The Affordable Housing Loan Note and all other amounts due and owing under the Affordable Housing Loan Agreement shall be limited obligations of FCRHA payable solely from the sources referred to in the preamble to this Resolution and as provided in the form of the Affordable Housing Loan Note.

Section 4. **Payment Agreement.** The Payment Agreement is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Payment Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Payment Agreement being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA, or any Authorized Representative, is hereby authorized and directed to affix the seal of FCRHA to the Payment Agreement and to attest same.

Section 5. **Ground Lease.** The Ground Lease is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Ground Lease in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Ground Lease being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA, or any Authorized Representative, is hereby authorized and directed to affix the seal of FCRHA to the Ground Lease and to attest same.

Section 6. **Assignment Agreement.** The Assignment Agreement is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Assignment Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Assignment Agreement being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA, or any Authorized Representative, is hereby authorized and directed to affix the seal of FCRHA to the Assignment Agreement and to attest same.

Section 7. **Renewal Financing.** In the event that there has not been provided permanent financing the net proceeds of which are sufficient to provide, at or prior to the maturity of the 2015 Loan, for the payment of the unpaid principal and interest on the Affordable Housing Loan Note, FCRHA covenants to use their best efforts to obtain further interim financing (through the issuance and sale of renewal notes or otherwise) in amounts sufficient to provide, at or prior to the maturity of the Affordable Housing Loan Note, for the payment of the unpaid principal and interest on the Affordable Housing Loan Note and all other amounts payable under the Affordable Housing Loan Agreement.

Section 8. **Bond Counsel.** Sidley Austin LLP is hereby appointed Bond Counsel in connection with the 2015 Loan and the Affordable Housing Loan Note.

Section 9. **Other Action.** The Chairman, Vice Chairman, Secretary or an Assistant Secretary of FCRHA or any Authorized Representative is hereby authorized and directed to execute and deliver any and all additional documents, certificates and instruments, including any letter of instructions or escrow agreements relating to the payment of the Outstanding Notes, necessary or proper to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, the Affordable Housing Loan Agreement and the securing and issuance of the Affordable Housing Loan Note.

Section 10. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the Affordable Housing Loan Agreement, Payment Agreement, Affordable Housing Loan Note, the Assignment Agreement, the Ground Lease or in any other agreement, certificate or document executed on behalf of FCRHA shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of FCRHA in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the Affordable Housing Loan Note or be subject to personal liability or accountability by reason of the issuance thereof.

Section 11. **Action Approved and Confirmed.** All acts and doings of the Commissioners, officers, agents or employees of FCRHA which are in conformity with the purposes and intent of this Resolution and in the furtherance of the 2015 Loan and the issuance of the Affordable Housing Loan Note and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

Section 12. **Severability.** If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provisions to be invalid, inoperative or unenforceable to any extent whatsoever.

Section 13. **Repealer; Effective Date.** Any resolutions or orders or parts thereof in conflict with this Resolution are to the extent of any such conflict hereby repealed. This Resolution shall take effect immediately upon its adoption.

A brief presentation was provided by Michael Pearman, Portfolio Manager, Real Estate Finance and Grants Management Division and Joe LaHait, Debt Coordinator, Department of Management and Budget. A motion was made by Commissioner Kennedy, seconded by Commissioner Jonas to adopt Resolution Number 06-15. A vote was taken and the motion carried with Commissioner Betts voting no.

2.

RESOLUTION NUMBER 07-15

Adoption of the Fairfax County Redevelopment and Housing Authority (FCRHA) Strategic Plan – Action Plan for FY 2016

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA) adopted a five-year Strategic Plan for the period from July 1, 2010 through June 30, 2015; and

WHEREAS, the FCRHA extended its five-year Strategic Plan through FY 2016 (June 30, 2016); and

WHEREAS, the FCRHA annually adopts a Fiscal Year Strategic Plan – Action Plan outlining how the FCRHA and the Department of Housing and Community Development will meet the goals of the Five-Year Strategic Plan;

NOW THEREFORE BE IT RESOLVED that the FCRHA does hereby adopt the Strategic Plan-Action Plan for FY 2016, as presented to the FCRHA at its special meeting on February 19, 2015.

A brief presentation was provided by Tom Fleetwood, Director, FCRHA Policy, Communications and Reporting Division. A motion was made by Commissioner McAloon, seconded by Commissioner Kennedy to adopt Resolution Number 07-15. A vote was taken and the motion carried with Commissioners Betts and Bell abstaining.

ADMINISTRATIVE ITEM:

1.

RESOLUTION NUMBER 08-15

Authorization to Schedule a Public Hearing on the Fairfax County Redevelopment and Housing Authority (FCRHA) FY 2016 Proposed Budget and the Certification of the FY 2016 Proposed Budget as Consistent with the Proposed FCRHA Strategic Plan – Action Plan for FY 2016

WHEREAS Title 36 (Housing Authorities Law) of the Code of Virginia requires that “Before any [housing] authority gives final approval to (i) its budget or (ii) any request for funding for submission to the governing body, the authority shall hold at least one public hearing to receive the views of citizens within the area of operation of the authority.”

NOW THEREFORE, BE IT RESOLVED, THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the scheduling of a public hearing on the FY 2016 Proposed Budget and the certification of the proposed budget as consistent with the proposed FCRHA Strategic Plan – Action Plan for FY 2016, at its Regular Meeting on March 19, 2015.

A brief presentation was provided by Tom Fleetwood, Director, FCRHA Policy, Communications and Reporting Division. A motion was made by Commissioner McAloon, seconded by Commissioner Jonas to adopt Resolution Number 08-15. A vote was taken and the motion carried unanimously.

ADJOURNMENT

A motion was made by Commissioner Carlson, seconded by Commissioner Kennedy, to adjourn the meeting at 7:52 p.m. A vote was taken and the motion carried unanimously.

(Seal)

Robert Schwaninger, Chairman

Kurt Creager, Assistant Secretary